



67 South Bedford Street
Suite 400W
Burlington, MA 01803

January 31, 2018

By Facsimile to:

760-893-8301

Confirmed by Federal Express to:

Heat Factory USA Inc.
1958 Kellogg Avenue
Carlsbad, CA 92008
Attn: David Treptow

Re: Exclusive Patent License Agreement between Heat Factory USA ("Licensee") and Schawbel Technologies, LLC ("Licensor") dated July 18, 2017 (the "License Agreement"); Asset Purchase Agreement between Licensee and Schawbel dated July 18, 2017 (the "APA")

Dear Mr. Treptow,

Please take notice that the License Agreement is hereby terminated, effective immediately, pursuant to Section 9.4(a) thereof.

As you have previously been notified, the payment of \$500,000 due from Licensee to Licensor on or before December 10, 2017, under Section 2.02(iii) of the APA was not paid when due. As you have also previously been notified, the payment of \$600,000 due from Licensee to Licensor on or before January 10, 2018, under Section 2.02(iv) of the APA was not paid when due. Section 9.4(a) of the License Agreement defines as an "APA Nonpayment" each of these failures to pay timely a payment due from Licensee to Licensor under the APA. Since there have been "two (2) or more . . . APA Nonpayments within any consecutive twelve (12) months period, Licensor shall be entitled to terminate this Agreement effective immediately upon written notice to Licensee." License Agreement § 9.4(a). Licensor hereby exercises such right.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Furrier", is written over a light blue circular background.

Julie Furrier
Controller
Schawbel Technologies LLC